

Latest report on progress of HAMP attempts to move goal posts, hide program's failure

WASHINGTON D.C. – In a letter to Treasury Secretary Timothy Geithner, Rep. Darrell Issa, the Ranking Member of the Oversight and Government Reform Committee, and Rep. Jim Jordan, Ranking Member of the Domestic Policy Subcommittee, blasted manipulations in a recent report on the Home Affordable Modification Program, or HAMP, saying Treasury instead “needs to confront the failure of technocratic tinkering to generate meaningful relief for distressed homeowners.”

In the letter, Issa and Jordan criticize Treasury for changing the way HAMP's progress is measured. The program's original goal was 3 to 4 million modified mortgages that would be “affordable for borrowers now and sustainable over the long term,” but only 170,207 loans have been permanently modified. In an effort to distort the program's struggles, Treasury is now counting the higher number of temporary mortgage modifications toward its target, even though fewer than 1/3 of temporary modifications successfully achieve permanent status.

“Temporary modifications offer little help to homeowners who do not receive permanent ones and end up defaulting anyway,” wrote Issa and Jordan. “In fact, these homeowners, whose mortgage payments could otherwise have been spent on moving expenses and rent, may actually be made worse off by HAMP. If homeowners are in fact being harmed, then to count their temporary modifications toward HAMP’s goal of helping ‘3 to 4 million’ homeowners is doubly cynical.”

“If Treasury is to regain the confidence of the American people, it must become more candid about the success or failure of its policies,” Issa and Jordan wrote. “With unemployment still hovering near ten percent, now is not the time for politically-motivated attempts to gloss over the failure of HAMP’s simplistic, market-distorting approach.”

Click [here](#) to read Rep. Issa’s and Rep. Jordan’s letter to Treasury.

Click [here](#) for the February 25, 2010, report on HAMP released by Rep. Issa and Jordan.